

NATHAN SOMMERS LIPPMAN JACOBS & GORMAN

A PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS

July 16, 2002



RECORDATION NO. 21035-F FILED

Surface Transportation Board
1925 K Street, N.W.
Suite 700
Washington, D.C. 20423

JUL 30 '02 11-19 AM

SURFACE TRANSPORTATION BOARD

Re: Recordation of Fifth Amendment to Security Agreement, original Security Agreement was filed under Recordation No. 21035.

To whom it may concern:

I have enclosed two (2) originals of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The document is a fifth amendment to security agreement dated as of April 30, 2002 (the "Security Agreement"), and is a secondary document.

The names and addresses of the parties to the Security Agreement are as follows:

Secured Party:

Southwest Bank of Texas, N.A.
Five Post Oak Park
4400 Post Oak Parkway
Houston, Texas 77027

Debtor:

Rail Car Operators, Ltd.
1400 Post Oak Blvd., #270
Houston, Texas 77056

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A description of the equipment covered by the Security Agreement is as follows:

- (a) Seventy-One (71) rail cars, specifically,
 - (i) fifteen (15) 23,500 gallon general purpose rail cars, stencil numbers TEIX 23515, TEIX 23516, TEIX 23518, TEIX 23519, TEIX 23520, TEIX 23521, TEIX 23523, TEIX 23524, TEIX 23548, TEIX 2914, TEIX 2915, TEIX 2916, TEIX 2717, TEIX 2918, TEIX 3018;
 - (ii) ten (10) tank and pressure rail cars, stencil numbers TEIX 2302, TEIX 2309, TEIX 2312, TEIX 2315, TEIX 2322, TEIX 2324, TEIX 30014, TEIX 30015, TEIX 30016, TEIX 30017;
 - (iii) one (1) 30,000 gallon tank rail car, stencil number TEIX 30046;
 - (iv) five (5) 33,600 gallon pressurized tank rail cars, stencil numbers TEIX 33520, TEIX 33521, TEIX 33522, TEIX 33523, TEIX 33524;
 - (v) six (6) tank cars, stencil numbers TEIX 34062, TEIX 34065, TEIX 34066, TEIX 34067, TEIX 34070, TEIX 34071;
 - (vi) ten (10) 30,000 gallon tank rail cars, stencil numbers SRIX 30100, SRIX 30101, SRIX 30102, SRIX 30103, SRIX 30104, SRIX 30105, SRIX 30106, SRIX 30107, SRIX 30108, SRIX 30109;
 - (vii) five (5) 23,500 gallon tank rail cars, stencil numbers SRIX 23525, SRIX 23526, SRIX 23527, SRIX 23528 and SRIX 23529;
 - (viii) ten (10) 25,5000 gallon exterior coiled, insulated tank cars, stencil numbers SRIX 25001, SRIX 25002, SRIX 25003, SRIX 25004, SRIX 25005, SRIX 25006, SRIX 25007, SRIX 25008, SRIX 25009, and SRIX 25010;
 - (ix) two (2) 24,0000 gallon exterior coiled, insulated tank cars, stencil numbers SRIX 24001 and SRIX 24002; and
 - (x) seven (7) 112J340W, 33,600 gallon tank cars, stencil numbers SRIX 33624, SRIX 33625, SRIX 33626, SRIX 33627, SRIX 33628, SRIX 33629 and SRIX 33630;

(b) all appurtenances and additions thereto and substitutions and replacements therefor, wheresoever located, including all tools, parts and accessories used in connection therewith, and all products and proceeds thereof (including insurance proceeds); and

(c) all of Debtor's right, title and interest in and to, but not Debtor's obligations under, the Management Agreement dated July 1, 1998 between Southwest Rail Industries, Inc., a Texas corporation ("SRI") and Debtor (the "Management Agreement"), as the same may be amended, modified or supplemented from time to time.

A short summary of the Fifth Amendment to Security Agreement to appear in the index is as follows:

Security Agreement dated as of November 15, 1997, as amended by First Amendment to Security Agreement dated as of January 31, 2000, Second Amendment to Security Agreement dated as of July 31, 2000, Third Amendment to Security Agreement dated as of January 16, 2001, Fourth Amendment to Security Agreement dated as of November 1, 2001 and Fifth Amendment to Security Agreement dated as of April 30, 2002 between Southwest Bank of Texas, N.A., Five Post Oak Park, 4400 Post Oak Parkway, Houston, Texas 77027 ("Secured Party") and Rail Car Operators, Ltd., 1400 Post Oak Blvd., #270, Houston, Texas 77056 ("Debtor"), and covering (a) Seventy-One (71) rail cars, specifically, (i) fifteen (15) 23,500 gallon general purpose rail cars, stencil numbers TEIX 23515, TEIX 23516, TEIX 23518, TEIX 23519, TEIX 23520, TEIX 23521, TEIX 23523, TEIX 23524, TEIX 23548, TEIX 2914, TEIX 2915, TEIX 2916, TEIX 2717, TEIX 2918, TEIX 3018; (ii) ten (10) tank and pressure rail cars, stencil numbers TEIX 2302, TEIX 2309, TEIX 2312, TEIX 2315, TEIX 2322, TEIX 2324, TEIX 30014, TEIX 30015, TEIX 30016, TEIX 30017; (iii) one (1) 30,000 gallon tank rail car, stencil number TEIX 30046; (iv) five (5) 33,600 gallon pressurized tank rail cars, stencil numbers TEIX 33520, TEIX 33521, TEIX 33522, TEIX 33523, TEIX 33524; (v) six (6) tank cars, stencil numbers TEIX 34062, TEIX 34065, TEIX 34066, TEIX 34067, TEIX 34070, TEIX 34071; (vi) ten (10) 30,000 gallon tank rail cars, stencil numbers SRIX 30100, SRIX 30101, SRIX 30102, SRIX 30103, SRIX 30104, SRIX 30105, SRIX 30106, SRIX 30107, SRIX 30108, SRIX 30109; (vii) five (5) 23,500 gallon tank rail cars, stencil numbers SRIX 23525, SRIX 23526, SRIX 23527, SRIX 23528 and SRIX 23529; (viii) ten (10) 25,5000 gallon exterior coiled, insulated tank cars, stencil numbers SRIX 25001, SRIX 25002, SRIX 25003, SRIX 25004, SRIX 25005, SRIX 25006, SRIX 25007, SRIX 25008, SRIX 25009, and SRIX 25010; (ix) two (2) 24,0000 gallon exterior coiled, insulated tank cars, stencil numbers SRIX 24001 and SRIX 24002; (x) seven (7) 112J340W, 33,600 gallon tank cars, stencil numbers SRIX 33624, SRIX 33625, SRIX 33626, SRIX 33627, SRIX 33628, SRIX 33629 and SRIX 33630; (b) all appurtenances and additions thereto and substitutions and replacements therefor, wheresoever located, including all tools, parts and accessories used in connection therewith, and

all products and proceeds thereof (including insurance proceeds); and (c) all of Debtor's right, title and interest in and to, but not Debtor's obligations under, the Management Agreement dated July 1, 1998 between Southwest Rail Industries, Inc., a Texas corporation and Debtor, as the same may be amended, modified or supplemented from time to time.

A fee of \$30.00 is enclosed. Please return one (1) file stamped original to the undersigned after recording.

Very truly yours,

NATHAN SOMMERS LIPPMAN JACOBS & GORMAN,
A Professional Corporation


Ana McLaughlin, Legal Assistant

:AMM
Enclosure

FIFTH AMENDMENT TO SECURITY AGREEMENT JUL 30 '02 11-19 AM
SURFACE TRANSPORTATION BOARD

This FIFTH AMENDMENT TO SECURITY AGREEMENT ("Amendment"), dated as of April 30, 2002, is between RAIL CAR OPERATORS, LTD., a Texas limited partnership ("Debtor") and SOUTHWEST BANK OF TEXAS, N.A., a national banking association ("Secured Party").

RECITALS:

WHEREAS, R.H. Investments, Inc., a Texas corporation ("RH"), Bravida Corporation, a Texas corporation ("Bravida"), American Fluorite Rail Car, Inc., a Texas corporation ("American") (as successor to Bishop 1996 Grandchildren's Trust), and Gemsbok Inc., a Texas corporation ("Gemsbok" and together with RH, Bravida and American, the "Borrowers") and Secured Party have entered into that certain Loan Agreement dated as of November 15, 1997, as amended by First Amendment to Loan Agreement dated as of January 31, 2000, Second Amendment to Loan Agreement dated as of July 31, 2000, Third Amendment to Loan Agreement dated as of January 16, 2001, Fourth Amendment to Loan Agreement dated as of November 1, 2001 and Fifth Amendment to Loan Agreement dated as of April 30, 2002 (the "Loan Agreement").

WHEREAS, pursuant to the Loan Agreement Debtor executed (a) that certain Security Agreement dated as of November 15, 1997, as amended by First Amendment to Security Agreement dated as of January 31, 2000, Second Amendment to Security Agreement dated as of July 31, 2000, Third Amendment to Security Agreement dated as of January 16, 2001 and Fourth Amendment to Security Agreement dated as of November 1, 2001 (the "Security Agreement"), and (b) that certain Guaranty Agreement (hereinafter defined) for the benefit of Secured Party pursuant to which, and subject to the terms and conditions thereof, Debtor has guaranteed to Secured Party the obligations of Borrowers under the Loan Agreement.

WHEREAS, the execution of this Amendment is a condition to Secured Party entering into the Fourth Amendment to Loan Agreement referred to above.

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which are acknowledged and agreed, Debtor and Secured Party hereby agree as follows:

ARTICLE I.

Amendments

1. Amendment to Section 1.01. Effective as of the date hereof, paragraph (a) of Section 1.01 of the Security Agreement is amended read in its entirety as follows:

"(a) Seventy-One (71) rail cars, specifically,

(i) fifteen (15) 23,500 gallon general purpose rail cars, stencil numbers TEIX 23515, TEIX 23516, TEIX 23518, TEIX 23519, TEIX 23520, TEIX 23521, TEIX 23523, TEIX 23524, TEIX 23548, TEIX 2914, TEIX 2915, TEIX 2916, TEIX 2717, TEIX 2918, TEIX 3018;

(ii) ten (10) tank and pressure rail cars, stencil numbers TEIX 2302, TEIX 2309, TEIX 2312, TEIX 2315, TEIX 2322, TEIX 2324, TEIX 30014, TEIX 30015, TEIX 30016, TEIX 30017;

(iii) one (1) 30,000 gallon tank rail car, stencil number TEIX 30046;

(iv) five (5) 33,600 gallon pressurized tank rail cars, stencil numbers TEIX 33520, TEIX 33521, TEIX 33522, TEIX 33523, TEIX 33524;

(v) six (6) tank cars, stencil numbers TEIX 34062, TEIX 34065, TEIX 34066, TEIX 34067, TEIX 34070, TEIX 34071;

(vi) ten (10) 30,000 gallon tank rail cars, stencil numbers SRIX 30100, SRIX 30101, SRIX 30102, SRIX 30103, SRIX 30104, SRIX 30105, SRIX 30106, SRIX 30107, SRIX 30108, SRIX 30109; and

(vii) five (5) 23,500 gallon tank rail cars, stencil numbers SRIX 23525, SRIX 23526, SRIX 23527, SRIX 23528 and SRIX 23529;

(viii) ten (10) 25,5000 gallon exterior coiled, insulated tank cars, stencil numbers SRIX 25001, SRIX 25002, SRIX 25003, SRIX 25004, SRIX 25005, SRIX 25006, SRIX 25007, SRIX 25008, SRIX 25009, and SRIX 25010;

(ix) two (2) 24,0000 gallon exterior coiled, insulated tank cars, stencil numbers SRIX 24001 and SRIX 24002; and

(x) seven (7) 112J340W, 33,600 gallon tank cars, stencil numbers SRIX 33624, SRIX 33625, SRIX 33626, SRIX 33627, SRIX 33628, SRIX 33629 and SRIX 33630;"

2. Amendment to Section 1.02. (a) Effective as of the date hereof, clauses (a) through (d) of Section 1.02 of the Security Agreement are amended to read in their entirety as follows:

"(a) the obligations and indebtedness of RH to Secured Party evidenced by (i) that certain promissory note in the original principal amount of \$422,552.98 dated November 1, 2001, executed by RH and payable to the order of Secured Party, which was executed in renewal, extension and modification of, but not in discharge or novation of, (1) that certain promissory note in the original principal amount of \$599,210.59, dated November 15, 1997, executed by RH and payable to the order of Secured Party, (2) that certain promissory note in the original principal amount of \$61,867.00, dated January 31, 2000, executed by RH and payable to the order of Secured Party, and (3) that certain promissory note in the original principal amount of \$38,250.00, dated July 31, 2000, executed by RH and payable to the order of Secured Party and (ii) that certain promissory note in the original principal amount of \$77,700.00 dated April 30, 2002, executed by RH and payable to the order of Secured Party;

(b) the obligations and indebtedness of Bravida to Secured Party evidenced by (i) that certain promissory note in the original principal amount of \$682,451.68 dated November 1, 2001, executed by Bravida and payable to the order of Secured Party, which was executed in renewal, extension and modification of, but not in discharge or novation of, (1) that certain promissory note in the original principal amount of \$599,210.59, dated November 15, 1997, executed by Bravida and payable to the order of Secured Party, (2) that certain promissory note in the original principal amount of \$61,867.00, dated January 31, 2000, executed by Bravida and payable to the order of Secured Party, (3) that certain promissory note in the original principal amount of \$38,250.00, dated July 31, 2000, executed by Bravida and payable to the order of Secured Party, and (4) that certain promissory note in the original principal amount of \$277,073.00, dated January 16, 2001, executed by Bravida and payable to the order of Secured Party (as modified and reduced to the principal amount of \$269,649.25, by Note Modification Agreement dated January 16, 2001) and (ii) that certain promissory note in the original principal amount of \$116,550.00 dated April 30, 2002, executed by Bravida and payable to the order of Secured Party;

(c) the obligations and indebtedness of American to Secured Party evidenced by (i) that certain promissory note in the original principal amount of \$495,744.64 dated April 30, 2002, executed by American and payable to the order of Secured Party, which was executed in renewal, extension and modification of that certain promissory note in the original principal amount of \$515,975.63 dated November 1, 2001, executed by Bishop 1996 Grandchildren's Trust ("Bishop") and payable to the order of Secured Party, the obligations of Bishop under which were assumed by American, which was executed in renewal, extension and modification of,

but not in discharge or novation of, (1) that certain promissory note in the original principal amount of \$335,965.83, dated November 15, 1997, executed by Bishop Trust and payable to the order of Secured Party, (2) that certain promissory note in the original principal amount of \$61,867.00, dated January 31, 2000, executed by Bishop Trust and payable to the order of Secured Party, (3) that certain promissory note in the original principal amount of \$38,250.00, dated July 31, 2000, executed by Bishop Trust and payable to the order of Secured Party, and (4) that certain promissory note in the original principal amount of \$277,073.00, dated January 16, 2001, executed by Bishop Trust and payable to the order of Secured Party (as modified and reduced to the principal amount of \$269,649.25, by Note Modification Agreement dated January 16, 2001) and (ii) that certain promissory note in the original principal amount of \$155,400.00 dated April 30, 2002, executed by American and payable to the order of Secured Party;

(d) the obligations and indebtedness of Gemsbok to Secured Party evidenced by (i) that certain promissory note in the original principal amount of \$112,047.57 dated November 1, 2001, executed by Gemsbok and payable to the order of Secured Party, which was executed in renewal, extension and modification of, but not in discharge or novation of, (1) that certain promissory note in the original principal amount of \$117,143.83, dated November 15, 1997, executed by Gemsbok and payable to the order of Secured Party, (2) that certain promissory note in the original principal amount of \$46,400.00, dated January 31, 2000, executed by Gemsbok and payable to the order of Secured Party, and (3) that certain promissory note in the original principal amount of \$12,750.00, dated July 31, 2000, executed by Gemsbok and payable to the order of Secured Party and (ii) that certain promissory note in the original principal amount of \$38,850.00 dated April 30, 2002, executed by Gemsbok and payable to the order of Secured Party;"

(b) Effective as of the date hereof, clause (f) of Section 1.02 of the Security Agreement is amended to read in its entirety as follows:

"(f) the obligations and indebtedness of Debtor to Secured Party under the Guaranty Agreement dated as of April 30, 2002, as the same may be amended or modified from time to time (the "Guaranty Agreement");"

ARTICLE II.

Additional Provisions

1. Acknowledgment by Debtor. Except as otherwise specified herein, the terms and provisions hereof shall in no manner impair, limit, restrict or otherwise affect the

obligations of Debtor or any third party to Secured Party under any Loan Document (as defined in the Loan Agreement).

2. Additional Documentation. From time to time, Debtor shall execute or procure and deliver to Secured Party such other and further documents and instruments evidencing, securing or pertaining to the Security Agreement or the other Loan Documents as shall be reasonably requested by Secured Party so as to evidence or effect the terms and provisions hereof.

3. Continued Effectiveness. Except as expressly modified by the terms and provisions hereof, each of the terms and provisions of the Security Agreement and the other Loan Documents are hereby ratified and confirmed, and shall remain in full force and effect. The liens and security interests created by the Security Agreement remain in full force and effect.

4. Governing Law. THE TERMS AND PROVISIONS HEREOF SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

5. Binding Agreement. This Amendment shall be binding upon the heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto.

6. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall be construed as one and the same instrument.

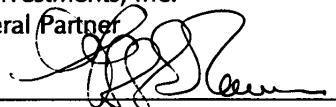
7. No Oral Agreements. This Amendment, the Loan Agreement and the other Loan Documents embody the final, entire agreement among the parties hereto. There are no oral agreements among the parties hereto.

EXECUTED as of the date first above written.

DEBTOR:

RAIL CAR OPERATORS, LTD.

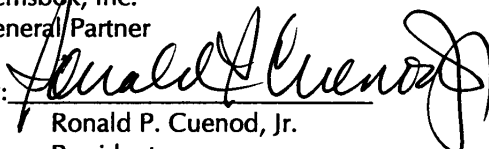
By: RH Investments, Inc.
General Partner

By: 
Jeffrey S. Rawson
President

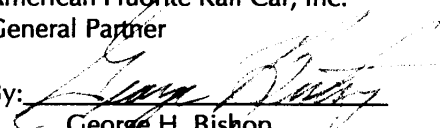
By: Bravida Corporation
General Partner

By: 
N. Gerald Beard
President

By: Gemsbok, Inc.
General Partner

By: 
Ronald P. Cuenod, Jr.
President

By: American Fluorite Rail Car, Inc.
General Partner

By: 
George H. Bishop
President

SECURED PARTY:

SOUTHWEST BANK OF TEXAS, N.A.

By: 
Carmen Dunmire
Senior Vice President

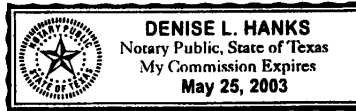
STATE OF TEXAS

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COUNTY OF HARRIS

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On this 24th day of June, 2002, this instrument was acknowledged before me by Jeffrey S. Rawson as President of RH Investments, Inc., a Texas corporation, in its capacity as general partner of Rail Car Operators, Ltd., on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Denise L. Hanks
Notary Public, State of Texas

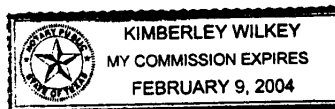
STATE OF TEXAS

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COUNTY OF HARRIS

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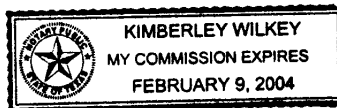
On this 24th day of June, 2002 this instrument was acknowledged before me by Ronald P. Cuenod Jr. as President of Gemsbok, Inc., a Texas corporation, in its capacity as general partner of Rail Car Operators, Ltd., a Texas limited partnership, on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Kimberley Wilkey
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF HARRIS

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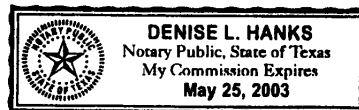
On this 3rd day of July, 2002, this instrument was acknowledged before me by N. Gerald Beard as President of Bravida Corporation, a Texas corporation, in its capacity as general partner of Rail Car Operators, Ltd., a Texas Limited Partnership, on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Kimberley Wilkey
Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF Austin

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On this 24th day of June, 2002, this instrument was acknowledged before me by George H. Bishop as President of American Fluorite Rail Car, Inc., a Texas corporation, in its capacity as general partner of Rail Car Operators, Ltd., a Texas Limited Partnership, on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Denise L. Hanks
Notary Public, State of Texas

STATE OF TEXAS §
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COUNTY OF HARRIS §

On this 24 day of June, 2002, this instrument was acknowledged before me by Carmen Dunmire, as Senior Vice President of Southwest Bank of Texas, N.A., a national association, on behalf of such association by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jean C. Edwards
Notary Public, State of Texas

